HEALTHWAY MEDICAL CORPORATION LIMITED

(Co. Regn. No: 200708625C)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDENDS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

This announcement has been prepared by Healthway Medical Corporation Limited (the "**Company**") and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended			12 months ended		
	31.12.15 S$'000	31.12.14 S$'000	Change %	31.12.15 S$'000	31.12.14 S$'000	Change %
Revenue	23,328	21,260	9.7	94,273	85,666	10.0
Other operating (loss) / income	(72)	6,026	n.m.	7,856	21,107	(62.8)
Medical supplies, consumables and laboratory expenses	(4,829)	(4,312)	12.0	(18,995)	(18,026)	5.4
Staff costs	(15,120)	(16,125)	(6.2)	(59,299)	(56,329)	5.3
Depreciation of property, plant and equipment	(345)	(440)	(21.6)	(1,340)	(1,352)	(0.9)
Amortisation of intangible assets	(74)	(74)	-	(295)	(292)	1.0
Other operating expenses	(3,796)	(9,342)	(59.4)	(18,426)	(19,691)	(6.4)
Finance costs	(321)	(389)	(17.5)	(1,078)	(1,150)	(6.3)
(Loss) / profit before income tax	(1,229)	(3,396)	(63.8)	2,696	9,933	(72.9)
Income tax credit / (expense)	325	572	(43.2)	(1,013)	(93)	n.m.
(Loss) / profit for the period attributable to shareholders	(904)	(2,824)	(68.0)	1,683	9,840	(82.9)
Other comprehensive loss, net of tax	(107)	(3,385)	(96.8)	(582)	(17,983)	(96.8)
Total comprehensive (loss) / income for the period	(1,011)	(6,209)	(83.7)	1,101	(8,143)	n.m.

n.m. denotes not meaningful.

Explanatory notes to the income statement

Profit before income tax of the Group is arrived at after charging / (crediting):

	3 months ended			12 months ended		
	31.12.15 S$'000	31.12.14 S$'000	Change %	31.12.15 S$'000	31.12.14 S$'000	Change %
Interest income	(1)	(627)	(99.8)	(1,806)	(1,738)	3.9
Rental income	(82)	(116)	(29.3)	(315)	(456)	(30.9)
Gain on disposal of available-for-sale financial assets reclassified from equity	-	(3,623)	n.m.	(727)	(13,038)	(94.4)
Interest expense	321	389	(17.5)	1,078	1,150	(6.3)
(Reversal) / allowance for doubtful trade receivables	(441)	637	n.m.	(441)	637	n.m.
Allowance for doubtful loan and other receivables	312	4,527	n.m.	4,812	4,527	6.3
Bad debts written off	-	(16)	n.m.	-	(16)	n.m.
Property, plant & equipment written off	-	434	n.m.	80	517	(84.5)
Foreign exchange loss / (gain)	477	10	n.m.	(262)	75	n.m.
Loss on disposal of property, plant and equipment	-	15	n.m.	-	15	n.m.
Operating lease expenses	2,083	2,087	(0.2)	8,228	8,500	(3.2)

Statement of comprehensive income

	3 months ended			12 months ended		
	31.12.15 S$'000	31.12.14 S$'000	Change %	31.12.15 S$'000	31.12.14 S$'000	Change %
(Loss) / profit for the period	(904)	(2,824)	(68.0)	1,683	9,840	(82.9)
Foreign exchange differences	(107)	124	n.m.	136	75	81.3
Change in fair value of available-for-sale financial assets	-	114	n.m.	9	(5,020)	n.m.
Change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(3,623)	n.m.	(727)	(13,038)	(94.4)
Other comprehensive loss for the period, net of tax	(107)	(3,385)	(96.8)	(582)	(17,983)	(96.8)
Total comprehensive (loss) / income for the period	(1,011)	(6,209)	(83.7)	1,101	(8,143)	n.m.

n.m. denotes not meaningful.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.15 S$'000	31.12.14 S$'000	31.12.15 S$'000	31.12.14 S$'000
Current assets				
Cash and cash equivalents	2,884	3,157	1,947	1,936
Trade and other receivables	81,341	75,260	10,927	6,352
Inventories	2,290	2,393	-	-
Available-for-sale financial assets	-	756	-	756
	86,515	81,566	12,874	9,044
Non-current assets				
Other receivables	22,010	20,358	-	-
Investments in subsidiaries	-	-	197,113	196,970
Property, plant and equipment	5,897	6,031	-	-
Intangible assets	121,902	122,197	66	355
Deferred tax assets	18	-	43	-
	149,827	148,586	197,222	197,325
Total assets	236,342	230,152	210,096	206,369
Equity				
Share capital	204,430	204,430	204,430	204,430
Treasury shares	(3,049)	(3,049)	(3,049)	(3,049)
Fair value reserve	-	718	-	718
Currency translation reserve	835	699	-	-
Accumulated losses	(10,490)	(12,173)	(6,375)	(7,900)
Total equity	191,726	190,625	195,006	194,199
Current liabilities				
Trade and other payables	24,326	22,413	2,184	1,121
Current income tax liabilities	1,296	365	328	101
Borrowings	12,653	12,431	8,293	9,410
	38,275	35,209	10,805	10,632
Non-current liabilities				
Borrowings	5,984	3,748	4,285	1,538
Deferred income tax liabilities	-	204	-	-
Provisions	357	366	-	-
	6,341	4,318	4,285	1,538
Total liabilities	44,616	39,527	15,090	12,170
Total equity and liabilities	236,342	230,152	210,096	206,369

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	As at 31.12.15		As at 31.12.14	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount repayable within one year	9,510	1,855	9,604	2,150
Amount repayable after one year	3,335	1,378	2,843	-

The secured borrowings of the Group relate to bank loans and bank overdrafts which are secured by the following:

(i) joint and several guarantees from former directors of the Company and subsidiaries; and

(ii) time deposits of the Company and a subsidiary.

The Group's borrowings presented above do not include finance lease liabilities. Finance lease liabilities of the Group are repayable as follows:

	As at 31.12.15	As at 31.12.14
	S$'000	S$'000
Amount repayable within one year	1,288	677
Amount repayable after one year	1,271	905

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended		12 months ended	
	31.12.15 S$'000	31.12.14 S$'000	31.12.15 S$'000	31.12.14 S$'000
Cash flows from operating activities				
(Loss) / profit before income tax	(1,229)	(3,396)	2,696	9,933
Adjustments for:				
Amortisation of intangible assets	74	74	295	292
Gain on disposal of available-for-sale financial assets reclassified from equity	-	(3,623)	(727)	(13,038)
Depreciation of property, plant and equipment	345	440	1,340	1,352
Allowance for doubtful loan and other receivables	312	4,527	4,812	4,527
Loss on disposal of property, plant and equipment	-	15	-	15
Property plant and equipment written off	-	434	80	517
Exchange differences	477	10	(262)	75
Interest expense	321	389	1,078	1,150
Interest income	(1)	(627)	(1,806)	(1,738)
	299	(1,757)	7,506	3,085
Changes in working capital:				
Inventories	(12)	185	103	385
Trade and other receivables	19	(16,159)	(6,956)	2,202
Trade and other payables	835	18,784	3,524	3,743
Cash generated from operations	1,141	1,053	4,177	9,415
Income tax paid	(4)	(54)	(304)	(559)
Net cash generated from operating activities	**1,137**	**999**	**3,873**	**8,856**
Cash flows from investing activities				
Purchase of property, plant and equipment	(343)	(1,456)	(1,300)	(1,943)
Purchase of intangible assets	-	(14)	-	(14)
Proceeds from disposal of property, plant and equipment	-	503	44	639
Loan receivables	(1,038)	(4,671)	(4,962)	(26,089)
Net advances made to a related party	-	(613)	-	(613)
Proceeds from sale of available-for-sale financial assets	-	3,835	763	19,019
Interest received	1	627	1,806	1,738
Net cash used in investing activities	**(1,380)**	**(1,789)**	**(3,649)**	**(7,263)**
Cash flows from financing activities				
Proceeds from borrowings	6,007	4,949	27,131	16,293
Repayment of borrowings	(6,110)	(4,165)	(25,650)	(16,548)
Fixed deposits pledged	-	(1)	282	(6)
Net repayment of finance lease liabilities	(255)	(305)	(900)	(698)
Interest paid	(321)	(389)	(1,078)	(1,150)
Net cash (used in) / generated from financing activities	**(679)**	**89**	**(215)**	**(2,109)**
Net (decrease) / increase in cash and cash equivalents	(922)	(701)	9	(516)
Cash and cash equivalents at beginning of period	1,969	1,737	1,037	1,553
Effect of exchange rate fluctuations on cash held	(1)	1	-	-
Cash and cash equivalents at end of period	**1,046**	**1,037**	**1,046**	**1,037**

Cash and cash equivalents comprised:	As at 31.12.15 S$'000	As at 31.12.14 S$'000
Deposits with banks	2,884	3,157
Fixed deposits pledged as collaterals	(1,838)	(2,120)
	1,046	1,037

During the financial year ended 31 December 2015, the Group acquired property, plant and equipment with an aggregate cost of S$1,330,000 (2014: S$2,838,000), of which S$30,000 (2014: S$895,000) was acquired under finance lease.

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	←Share capital→						
	Ordinary shares	Treasury shares	Total	Fair value reserve	Translation reserve	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group - Current period							
At 1 January 2015	204,430	(3,049)	201,381	718	699	(12,173)	190,625
Profit for the period	-	-	-	-	-	2,587	2,587
Net change in fair value of available-for-sale financial assets	-	-	-	(718)	-	-	(718)
Foreign exchange differences	-	-	-	-	243	-	243
Total comprehensive (loss) / income for the period	-	-	-	(718)	243	2,587	2,112
At 30 September 2015	204,430	(3,049)	201,381	-	942	(9,586)	192,737
Loss for the period	-	-	-	-	-	(904)	(904)
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-
Foreign exchange differences	-	-	-	-	(107)	-	(107)
Total comprehensive loss for the period	-	-	-	-	(107)	(904)	(1,011)
At 31 December 2015	204,430	(3,049)	201,381	-	835	(10,490)	191,726
Group - Previous period							
At 1 January 2014	204,430	(3,049)	201,381	18,776	624	(22,013)	198,768
Profit for the period	-	-	-	-	-	12,664	12,664
Net change in fair value of available-for-sale financial assets	-	-	-	(14,549)	-	-	(14,549)
Foreign exchange differences	-	-	-	-	(49)	-	(49)
Total comprehensive (loss) / income for the period	-	-	-	(14,549)	(49)	12,664	(1,934)
At 30 September 2014	204,430	(3,049)	201,381	4,227	575	(9,349)	196,834
Loss for the period	-	-	-	-	-	(2,824)	(2,824)
Net change in fair value of available-for-sale financial assets	-	-	-	(3,509)	-	-	(3,509)
Foreign exchange differences	-	-	-	-	124	-	124
Total comprehensive (loss) / income for the period	-	-	-	(3,509)	124	(2,824)	(6,209)
At 31 December 2014	204,430	(3,049)	201,381	718	699	(12,173)	190,625

	<--------- Share capital ---------->						
	Ordinary shares	Treasury shares	Total	Fair value reserve	Translation reserve	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Company - Current period							
At 1 January 2015	204,430	(3,049)	201,381	718	-	(7,900)	194,199
Profit for the period	-	-	-	-	-	2,457	2,457
Net change in fair value of available-for-sale financial assets	-	-	-	(718)	-	-	(718)
Total comprehensive (loss) / income for the period	-	-	-	(718)	-	2,457	1,739
At 30 September 2015	204,430	(3,049)	201,381	-	-	(5,443)	195,938
Loss for the period	-	-	-	-	-	(932)	(932)
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(932)	(932)
At 31 December 2015	204,430	(3,049)	201,381	-	-	(6,375)	195,006
Company - Previous period							
At 1 January 2014	204,430	(3,049)	201,381	18,776	-	(18,486)	201,671
Profit for the period	-	-	-	-	-	10,915	10,915
Net change in fair value of available-for-sale financial assets	-	-	-	(14,549)	-	-	(14,549)
Total comprehensive (loss) / income for the period	-	-	-	(14,549)	-	10,915	(3,634)
At 30 September 2014	204,430	(3,049)	201,381	4,227	-	(7,571)	198,037
Loss for the period	-	-	-	-	-	(329)	(329)
Net change in fair value of available-for-sale financial assets	-	-	-	(3,509)	-	-	(3,509)
Total comprehensive loss for the period	-	-	-	(3,509)	-	(329)	(3,838)
At 31 December 2014	204,430	(3,049)	201,381	718	-	(7,900)	194,199

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares

	Number of shares	Amount S$'000
Ordinary shares excluding treasury shares as at 30 September 2015 and 31 December 2015	2,308,236,183	201,381

There was no change in the Company's share capital from 30 September 2015 to 31 December 2015.

Convertibles

The Company did not have any outstanding convertibles as at 31 December 2015 and 31 December 2014.

Treasury shares

The Company had 18,698,000 treasury shares as at 31 December 2015 and 31 December 2014.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31.12.15	As at 31.12.14
Total number of issued shares excluding treasury shares	2,308,236,183	2,308,236,183

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, disposals, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial year compared with the audited financial statements as at 31 December 2014, except for the adoption of the Financial Reporting Standards (FRS) and Interpretation of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2015. The adoption of these new FRS and INT FRS has no significant impact on the financial statements for the current and prior reporting periods.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 months ended		12 months ended	
	31.12.15	31.12.14	31.12.15	31.12.14
Basic and diluted (loss) / earnings per ordinary share (Singapore cents)	(0.05)	(0.12)	0.07	0.43

Basic and diluted (loss) / earnings per share of the Group for the 3 months and 12 months ended 31 December 2015 and 31 December 2014 are calculated based on the weighted average number of ordinary shares in issue of 2,308,236,183.

There were no potentially dilutive ordinary shares in existence during the 3 months and 12 months ended 31 December 2015 and 31 December 2014, and accordingly, basic (loss) / earnings per ordinary share and diluted (loss) / earnings per ordinary share were the same for the respective periods.

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
a) current financial period reported on; and
b) immediately preceding financial year.

	Group		Company	
	As at 31.12.15	As at 31.12.14	As at 31.12.15	As at 31.12.14
Net asset value per ordinary share based on total number of issued shares, excluding treasury shares (Singapore cents)	8.31	8.26	8.45	8.41

The net asset value per ordinary share of the Group and the Company as at 31 December 2015 were calculated based on the total number of issued shares, excluding treasury shares, of 2,308,236,183 (31 December 2014: 2,308,236,183).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of performance

The Group's turnover for the financial year ended 31 December 2015 ("FY2015") was S$94.3 million, an increase of S$8.6 million or 10.0% from S$85.7 million for the financial year ended 31 December 2014 ("FY2014"). The increase was mainly due to the increase in revenue of S$4.4 million from the Primary Healthcare segment and S$4.2 million from the Specialist & Wellness Healthcare segment. The increase in revenue was mainly due to increase in patient load for both segment.

The Group's other operating income decreased by S$13.2 million or 62.8% from S$21.1 million for FY2014 to S$7.9 million for FY2015. This was mainly due to decrease in gain on disposal of available-for-sale financial assets by S$12.3 million from S$13.0 million in FY2014 to S$0.7 million in FY2015 and decrease in recovery of staff cost by $1.1 million from S$4.4 million in FY2014 to S$3.3 million in FY2015. The decrease in gain on disposal of available-for-sale financial assets resulted from the disposal of a major portion of available-for-sale financial assets in the open market during FY2014. The decrease in recovery of staff cost was due to lower staff secondment fees charged to third party clinics managed by the Group.

Total operating costs of the Group, which included medical supplies, consumables and laboratory expenses, staff costs, depreciation of property, plant and equipment, amortisation of intangible assets, other operating expenses (which includes allowance for doubtful trade, loan and other receivables) and finance costs, increased by S$2.6 million or 2.7% from S$96.8 million for FY2014 to S$99.4 million for FY2015. The increase was mainly due to higher staff costs of S$3.0 million, higher medical supplies, consumables and laboratory expenses of S$1.0 million which was in line with the increase in revenue and increase in impairment on loan and other receivables of S$0.3 million, as the recoverable amounts are expected to be lower than their carrying value, offset by decrease in other operating expenses of $0.6 million and reversal for doubtful trade receivables of $0.4 million in FY2015 (FY2014: S$0.6 million allowance for doubtful trade receivables).

The Group's net profit before income tax was S$2.7 million for FY2015 as compared to S$9.9 million for FY2014, with the net profit attributable to shareholders at S$1.7 million for FY2015 as compared to S$9.8 million for FY2014. Total comprehensive income for FY2015 was $1.1 million, as compared to total comprehensive loss of S$8.1 million for FY2014.

Financial position

Non-current assets (comprising trade and other receivables, property, plant and equipment, intangible assets and deferred tax assets) were S$149.8 million as at 31 December 2015, representing an increase of S$1.2 million from S$148.6 million as at 31 December 2014. This was mainly due to an increase in trade and other receivables of S$1.6 million as a result of increase in loan receivables from medical centres in China managed by the Group for their working capital purposes, offset by a decrease of $0.1 million in property, plant and equipment and decrease of S$0.3 million in intangible assets.

Current assets (comprising cash and cash equivalents, trade and other receivables and inventories) were S$86.5 million as at 31 December 2015. This was S$4.9 million higher than S$81.6 million as at 31 December 2014. The increase was mainly due to an increase of S$6.1 million in trade and other receivables, offset by decrease in available-for-sale financial assets ("AFS") of S$0.8 million following the disposal of most of the AFS in the open market and de-recognition of the remaining balance of AFS shares (which remains non-transferable to the scrip-based shareholders of the Company pursuant to the Distribution in Specie approved by the shareholders on 22 May 2013), decrease in cash and cash equivalents of $0.3 million and decrease in inventories of $0.1 million. The increase in trade and other receivables of S$6.1 million was mainly due to an increase in other receivables from third party clinics managed by the Group of S$4.6 million mainly as a result of lower staff secondment fees charged during FY2015.

Non-current liabilities (comprising borrowings and provisions) were S$6.3 million as at 31 December 2015, an increase of S$2.0 million from S$4.3 million as at 31 December 2014. This was mainly due to the additional loans drawn down during FY2015 for working capital purposes.

Current liabilities (comprising trade and other payables, current income tax liabilities and borrowings) were S$38.3 million as at 31 December 2015, an increase of S$3.1 million from S$35.2 million as at 31 December 2014. This was mainly due to an increase of S$0.2 million in borrowings as a result of additional loans drawn down, as well as increase in trade and other payables of S$1.9 million which was in line with the increase in operating costs and increase in income tax liabilities of S$1.0 million mainly as a result of tax provision for the 12 months ended 31 December 2015.

The Group had a positive working capital of S$48.2 million as at 31 December 2015, as compared to $46.4 million as at 31 December 2014.

Cash flow statement

As at 31 December 2015, the Group had cash and cash equivalents amounting to S$1.0 million, net of fixed deposits pledged of S$1.8 million, as compared to cash and cash equivalents amounting to S$1.0 million, net of fixed deposits pledged of S$2.1 million as at 31 December 2014.

The significant cash movements during FY2015 as compared to FY2014 can be summarised as follows: -

Cash flow generated from operating activities for FY2015 amounted to S$3.9 million as compared to S$8.9 million for FY2014. The cash flow generated from operating activities for FY2015 was a result of operating profit before changes in working capital of S$7.5 million, adjusted for net working capital outflow of S$3.3 million and income tax payment of S$0.3 million. The net working capital outflow was mainly due to decrease in inventories of S$0.1 million and increase in trade and other payables of S$3.5 million, offset by increase in trade and other receivables of S$6.9 million.

Cash flow used in investing activities for FY2015 was S$3.6 million as compared to S$7.3 million for FY2014. The cash flow used in investing activities for FY2015 was mainly due to increase in loan receivables of S$4.9 million from medical centres in China and third party clinics managed by the Group and purchase of property, plant and equipment of S$1.3 million, offset by proceeds from sale of available-for-sale financial assets of S$0.8 million and interest received of S$1.8 million.

Cash flow used in financing activities for FY2015 was S$0.2 million as compared to cash flow used in financing activities of S$2.1 million for FY2014. The cash flow used in financing activities in FY2015 was mainly due to proceeds from loans of S$27.1 million for working capital purposes and reduction in fixed deposits pledged of S$0.3 million, offset by repayment of loan of S$25.7 million, net repayment of finance lease liabilities of S$0.9 million and interest paid of S$1.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders for the current reporting period.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The fruitation of the various business improvement initiatives has led the Group to revenue growth especially in the Specialist Division.

The Group will continue the momentum on initiatives relating to improving the quality of patient care and cost containment through leveraging on IT and other productivity tools.

The Group has an intention to exercise a pre-existing option (which existed prior to the date of the Implementation Agreement) to acquire a non-related company which own medical clinics in Singapore through the conversion of the loan receivable due from the non-related company of approximately S$62 million, to form part of the purchase consideration, at a price to be agreed.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividends have been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividends have been declared or recommended for the current financial period reported on.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Healthway Medical Development (Private) Limited (1)	-	- (1)
Sonny Yuen Chee Choong(2)	S$110,000	

Notes:

(1) The Group has obtained a general mandate from shareholders for IPTs between the Group and Healthway Medical Development (Private) Limited ("**HMD**"). There were no IPTs between the Group and HMD during FY2015.

(2) During FY2015 Q4, a Management Consultancy Agreement dated 2 November 2015 was entered between Healthway Medical Group Pte Ltd ("HMG"), a wholly-owned subsidiary of the Company, and Sonny Yuen Chee Choong ("Sonny"), an Independent Director of the Company. The Management Consultancy Agreement is for a period of five months commencing 2 November 2015 and Sonny is entitled to a monthly fee of S$22,000. The value of the interested person transaction in respect of the Management Consultancy Agreement is S$110,000. His key duties are, *inter alia*, reviewing and advising HMG on the process flow of billing and invoicing corporate clients and trading partners and analysing collection process to improve collection of overdue receivables.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") that are used to make strategic decisions. The CODM considers the business from both a geographical and business segment perspective and regularly reviews internal management reports for each of the business units.

Business Segments

The Group has two reportable segments, as described below, which are the Group's strategic business units.

- Primary Healthcare comprising family medicine, dentistry, healthcare benefit management and investment in strategic medical related business; and
- Specialist & Wellness Healthcare which comprise paediatrics, obstetrics, orthopaedics and aesthetic medicine.

Major Customer

The Group does not rely on a single external customer for 10% or more of the Group's revenue.

The segment information provided to the CODM for the reportable segments are as follows:

	← Singapore →		China	
	Primary Healthcare	Specialist & Wellness Healthcare	Specialist & Wellness Healthcare	Total
2015	**$'000**	**$'000**	**$'000**	**$'000**
Sales				
Total segment sales and sales to external parties	50,596	43,420	257	94,273
EBITDA	361	4,289	(1,774)	2,876
Depreciation of property, plant and equipment	604	731	5	1,340
Amortisation of intangible assets	290	-	5	295

	← Singapore →		China	
	Primary Healthcare	Specialist & Wellness Healthcare	Specialist & Wellness Healthcare	Total
2014	**$'000**	**$'000**	**$'000**	**$'000**
Sales				
Total segment sales and sales to external parties	46,233	39,184	249	85,666
EBITDA	(2,262)	252	(39)	(2,049)
Depreciation of property, plant and equipment	612	733	7	1,352
Amortisation of intangible assets	290	-	2	292

(a) A reconciliation of EBITDA to profit before income tax is as follows:

	Group	
	2015	2014
	$'000	$'000
EBITDA for reportable segments	2,876	(2,049)
Gain on disposal of available-for-sale financial assets	727	13,038
Depreciation	(1,340)	(1,352)
Amortisation	(295)	(292)
Interest income	1,806	1,738
Finance expenses	(1,078)	(1,150)
Profit before income tax	2,696	9,933

Geographical information

The Group predominantly operates in Singapore and China.

	Sales for continuing operations	
	2015	2014
	$'000	$'000
Singapore	94,016	85,417
China	257	249
	94,273	85,666

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Performance by business segment

For FY2015, Primary healthcare segment continues to contribute a higher proportion to the Group's revenue compared to Specialist and Wellness segment. Revenue for Primary Healthcare segment had increased by 9.4% year-on-year and revenue for Specialist and Wellness segment had increased by 10.8% over the same period mainly as a result of the increase in patient load.

The CODM assesses the performance of the operating segments based on a measure of Earnings before interest, tax, depreciation and amortisation ("EBITDA") for continuing operations. The EBITDA for the Specialist and Wellness segment had improved from S$0.2 million in FY2014 to S$2.5 million in FY2015, whereas the EBITDA for Primary Healthcare segment had increased by S$2.6 million. The overall increase was mainly due to increase in revenue and lower operating costs.

Performance by geographical segment

There are no significant changes in the contribution to the Group's revenue by Singapore and China operations in FY2015 as compared to FY2014. Revenue from Singapore operations improved by S$8.6 million year-on-year mainly due to increase in revenue from Specialist and Wellness segment by S$4.2 million and increase in revenue from Primary Healthcare segment by S$4.4 million mainly as a result of the increase in patient load.

16. A breakdown of sales.

Breakdown of sales

	Group		
	2015	**2014**	**Change**
	$'000	**$'000**	**%**
Sales reported for first half-year	47,738	42,840	11.4
Profit reported for first half-year	5,566	1,949	185.6
Sales reported for second half-year	46,535	42,826	8.7
(Loss) / profit reported for second half-year	(3,883)	7,891	n.m.

n.m. denotes not meaningful.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company as at 31 December 2015.

BY ORDER OF THE BOARD

Mr Yeow Ming Ying
Executive Director
23 February 2016